ECCLESIA LAW

Private Ecclesiastical Counsel
United States & International

THE JURISDICTIONAL FAILURE OF CITIZENSHIP-BASED FILINGS VS.

THE FIDUCIARY REMEDY OF THE INTERNATIONAL GRANTOR TRUST

December 2025

Subject: Agency Rescission and the Mathematical Necessity of Fiduciary Standing in Credit Recoupment

1. Abstract

This report examines the systemic failure of "abandoned credit" recoupment attempts executed via Social Security Numbers (SSN) or Individual Taxpayer Identification Numbers (ITIN). It establishes that citizenship status, as defined under the 14th Amendment and civil registration, creates a permanent "Debtor Posture" that lacks the fiduciary standing required to correct nominee misreporting under **IRS Publication 1212**. We contrast this with the **98-Series International Grantor Trust**, which severs the agency relationship and allows for the lawful amortization of credits through a "Verify-Before-File" mandate.

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2. The Agency Problem: Why SSN/ITIN Filings Fail

Simply declaring "living soul" status does not collapse the commercial relationship between a living being and the birth-certificate-created body corporate.

- **The Debtor Fiction:** Civil registration creates a debtor estate (body corporate) distinct from the living man/woman. When an individual uses an SSN or ITIN to file a **Form 1099-OID**, they are operating within the jurisdiction of that debtor estate.
- **Presumption of Agency:** The living soul is presumed by the state and the IRS to act as an agent and surety for this corporate fiction.

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- **Suretyship:** Under an SSN, all liabilities attach to the corporate estate, and enforcement reaches the living being through this presumed agency. Because the citizen is seen as the "debtor," they lack the standing to demand that the IRS "reconcile" credit—a demand that only a **Creditor/Fiduciary** can make.

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3. Historical & Monetary Architecture: The Source of Credit

The failure of citizenship filings is further rooted in a misunderstanding of how money enters the system.

- **HJR-192 (1933):** House Joint Resolution 192 abolished gold settlement, mandating all obligations be discharged in fiat credit. The nation's credit system relies entirely on the energy and signatures of the people.
- **Signature as Asset:** Every signed mortgage or bank payment is a negotiable instrument under the **Bills of Exchange Act 1882**.
- **Credit Creation ex nihilo:** As confirmed by the **Bank of England (2014)** and **Richard Werner (2014)**, banks do not lend pre-existing deposits. They create credit *ex nihilo* by recording the borrower's signed promise as an asset.
- **The Result:** The borrower is the true issuer and guarantor, while the bank acts as a mere intermediary.

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4. Nominee Posture and IRS Publication 1212

Banks utilize the silence of the "citizen-debtor" to capture this credit.

- **Nominee Reporting:** Banks file **IRS Form 1099-OID** in their own name, positioning themselves as the creditors for the credits generated by your signature.
- **IRS Publication 1212:** This publication confirms that OID may be reported by nominees when the filer is not the true beneficial owner.
- **The Failure of 1040s:** A standard citizen filing a **Form 1040** is a consumer return. Because the SSN holder is identified as the "Debtor," the IRS treats any attempt to claim OID as "abandoned property" that belongs to the bank. As Jean Keating famously noted: *"Whoever files the 1099 is the creditor. The one who doesn't is the debtor"*.

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5. The "Verify-Before-File" Mandate: Why Standing Matters

A critical reason citizenship filings fail is the inability to force the IRS to perform account adjustments, such as moving funds to the **Form 945** withholding module.

- **Phase 0 Forensic Audit:** Before any filing, one must confirm the Payer (Bank) has a funded **Form 945 module** that meets the total claim.
- **The Power to Move Funds:** If funds are sitting in the Payer's general income tax module (established via **Form 4506-T**), a citizen has no authority to demand their transfer.
- **Fiduciary Standing:** Only a fiduciary with **Treasury Regulation § 601.503(d)** can invoke **Revenue Procedure** to force the IRS to re-allocate credits to the 945 withholding liability.
- **Amortization:** Standalone citizenship filings for previous years are often blocked by the **Code 810 Refund Hold** algorithm. The 98-Series Trust allows these "dead" years to be amortized into a single active **current Form 1041**, satisfying the IRS automated matching scheme.

6. The Structural Remedy: The International Grantor Trust

The Trust is not a tax gimmick; it is a structural remedy.

- **Separate EIN:** Distinguishes the trust from the SSN debtor estate.
- **Jurisdictional Shift:** Moves the individual from a debtor fiction to an international fiduciary status, effectively severing the agency link.
- **Ecclesiastical Stewardship:** Route recoupments into a **508(c)(1)(a) Ecclesiastical Ministry Trust**. These ministries act as Successor Trustees, providing a decentralized structure to ensure manageable fiduciary oversight.

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7. Conclusion

Filings based on an SSN or ITIN fail because the filer remains a "surety" for the corporate fiction, regardless of their spiritual declarations. Recouping abandoned credit requires the transition to a **International Grantor Trust**. This structure, combined with the **Ian Clifford method** of forensic verification and amortization, is the only lawful pathway to establish the fiduciary standing necessary to force Treasury reconciliation and reclaim abandoned securities.

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